

February 22, 2007

AMENDMENT

In the Claims:

Please add new claim 11, and cancel instant claims 1-7 and 10, as follows

1.-7. (canceled)

8. (previously presented) A method of preparing an ambient curable aqueous dispersion of polymer particles, said method comprising the steps of:

(i) preparing polymer particles having one or more stages, by:

(a) preparing a first stage polymer containing at least one epoxy group and at least one pendant ethylenically unsaturated side chain by:

(I) preparing a precursor polymer containing at least one epoxy group by the free radical addition polymerization of at least one ethylenically unsaturated monomer, and then

(II) forming at least one pendant ethylenically unsaturated side chain on said precursor polymer by reacting said at least one epoxy group on said precursor polymer with at least one co-reactive olefinic material;

(b) optionally preparing a second stage polymer comprising from 2% to 50% by weight of a copolymerized monomer having carboxylic acid functionality; and

optionally preparing a third stage polymer, said third stage polymer having no epoxy functionality, and less than 2% by weight of a copolymerized monomer having carboxylic acid functionality.

9.-10. (canceled)

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